

ASSEMBLY BILL

No. 366

Introduced by Assembly Member Ruskin

February 23, 2009

An act to amend Section 14083 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 366, as introduced, Ruskin. Medi-Cal: inpatient hospital services contracts.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Care Services, under which qualified low-income persons are provided with health care services.

Under existing law, the California Medical Assistance Commission is authorized to negotiate inpatient hospital services contracts binding upon the State Department of Health Care Services. Existing law requires the commission to consider certain factors in negotiating inpatient hospital services contracts.

This bill would make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14083 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14083. The factors to be considered by the negotiator in
- 4 negotiating contracts under this article, or in drawing specifications

- 1 for competitive bidding, include, but are not limited to, all of the
2 following:
- 3 (a) Beneficiary access.
 - 4 (b) Utilization controls.
 - 5 (c) Ability to render quality services efficiently and
6 economically.
 - 7 (d) Demonstrated ability to provide or arrange needed
8 specialized services.
 - 9 (e) Protection against fraud and abuse.
 - 10 (f) Any other factor ~~which~~ *that* would reduce costs, promote
11 access, or enhance the quality of care.
 - 12 (g) The capacity to provide a given tertiary service, such as
13 specialized children's services, on a regional basis.
 - 14 (h) Recognition of the variations in severity of illness and
15 complexity of care.
 - 16 (i) Existing labor-management collective bargaining agreements.
 - 17 (j) The situation of county hospitals and university medical
18 centers contracting with counties for provision of health care to
19 indigent persons entitled to care under Section 17000, which are
20 burdened to a greater extent than private hospitals with bad debts,
21 indirect costs, medical education programs, and capital needs.
 - 22 (k) The special circumstances of hospitals serving a
23 disproportionate number of Medi-Cal beneficiaries and patients
24 who are not covered by other third-party payers, including the
25 costs associated with assuring an adequate supply of registered
26 nurses.
 - 27 (l) The costs of providing complex emergency services,
28 including the costs of meeting and maintaining state and local
29 requirements for trauma center designation.
 - 30 (m) The hospital does any of the following:
 - 31 (1) Provides additional obstetrical beds.
 - 32 (2) Contracts with one or more comprehensive perinatal
33 providers.
 - 34 (3) Permits certified nurse midwives, subject to hospital rules,
35 and consistent with existing laws and regulations, to admit patients
36 to the health facility.
 - 37 (4) Expands overall obstetrical services in the hospital.
 - 38 (n) The special circumstances of hospitals whose Medi-Cal
39 inpatient utilization rate exceeds the mean Medicaid inpatient
40 utilization rate by at least one-half of one standard deviation.

1 (o) The ability and capacity of the contracting hospital in a
2 closed health facility planning area to provide health care services
3 to beneficiaries who are in life threatening or emergency situations,
4 but have been sufficiently stabilized at another noncontracting
5 facility in order to facilitate transportation to the contracting
6 hospital.

7 (p) The ability of the contracting hospital to provide a secure
8 environment for the provision of health care services. In this regard,
9 the negotiator shall consider additional security measures that the
10 contracting hospital may have taken to provide a secure
11 environment, including, but not limited to, the use of detection
12 equipment or procedures to detect lethal weapons, the appropriate
13 use of surveillance cameras, limiting access of unauthorized
14 personnel to the emergency department, installation of bullet proof
15 glass as appropriate in designated areas, the use of emergency
16 “panic” buttons to alert local law enforcement agencies, and
17 assigning full-time security personnel to the emergency department.